



By: TA | AP Brief

Australia moves to tax digital giants to fund newsrooms



Australia has proposed taxing digital giants Meta, Google and TikTok a proportion of their revenue to pay for news reporters.

The government released draft legislation Tuesday it intends to introduce to Parliament by July 2 that would create a financial incentive for the social media companies to strike deals with news organizations to pay for journalism.

The platforms' criticisms included that the proposal was a "digital services tax" that misunderstood the evolving advertising industry and would fail to deliver a sustainable news sector.

Australian Prime Minister Anthony Albanese said a monetary value needed to be attached to journalists' work.

"It shouldn't just be able to be taken by a large multinational corporation and used to generate profits for that organisation with no compensation appropriate for the people who produce that creative content," Albanese told reporters.

"We think that investment in journalism is critical to a healthy democracy," he added.

It's Australia's second legislative attempt to make the platforms pay for the Australian news text and images that their users view.

Digital platforms had been pressured to strike deals with Australian news publishers to pay for journalism by legislation passed in 2021 that created the country's [News Media Bargaining Code](#).

The platforms chose to reach commercial deals with news creators rather than be forced into arbitration and have a judge set the price.

But they have since avoided renewing those deals by removing news from their services.

All the targeted platforms are American

The proposed News Bargaining Incentive would charge major platforms that choose not to strike commercial deals with news publishers a 2.25% tax on their Australian revenue.

The platforms would be given offsets and their overall costs would be lowered if they agree to pay publishers for journalism, the government said.

The government expects the incentive would raise between 200 to 250 million Australian dollars (\$144 million-\$179 million) a year.

That was about as much as the platforms paid news outlets when the News Media Bargaining Code was working at its peak.

The government would distribute that income among news organizations based on how many journalists each organization employed, Communication Minister Anika Wells said.

The tax would apply to Meta Platforms, which owns Facebook and Instagram, Google, which is owned by Alphabet Inc., and [TikTok](#), which is majority-owned by U.S.-backed investors.

A government-mandated transfer of wealth from one industry to another will not deliver a sustainable or innovative news sector - Meta

Opposing the proposed legislation, Meta said news organizations "voluntarily post content on our platforms because they receive value from doing so."

"The idea that we take their news content is simply wrong. This proposed legislation, which would apply to platforms regardless of whether news content even appears on our services, is nothing more than a digital services tax," Meta said in a statement.

"A government-mandated transfer of wealth from one industry to another, with no connection to the value exchanged, will not deliver a sustainable or innovative news

sector. Instead, it will create a news industry dependent on a government-administered subsidy scheme,” Meta added.

Google said “we reject the need for this tax.”

“It ignores the fact that Google already has commercial agreements with the news industry, misunderstands how the ad market changed and mandates payments from some companies while arbitrarily excluding platforms like Microsoft, Snapchat and OpenAI -- despite the major shift in how people consume news,” a Google statement said.

TikTok did not immediately respond to a request for comment.

All the targeted platforms are American. U.S. critics have argued that Australia’s News Media Bargaining Code had disproportionately cost American corporations.

Albanese was not concerned by potential pushback from the United States.

“We’re a sovereign nation and my government will make decisions based upon the Australian national interest,” Albanese said.